

Frequently Asked Questions About the Great Lakes Residual Fuel Availability Waiver

EPA's Coordinated Strategy for large ships includes limits on the sulfur content of fuel used onboard ships operating in specially designated areas. On the Great Lakes, a 10,000 ppm fuel sulfur limit applies from August 1, 2012 through December 31, 2014; afterwards, a more stringent 1,000 ppm limit applies. EPA's regulations allow Great Lakes ship operators to use residual fuel exceeding the 10,000 ppm standard if compliant residual fuel is not available at Great Lakes ports. This Fact Sheet provides additional information about the Great Lakes residual fuel availability waiver and how to exercise it.

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What is EPA's Coordinated Strategy and how does it apply to the Great Lakes?

EPA's Coordinated Strategy addresses emissions from large ships, including those that operate on the U.S. portions of the Great Lakes and St. Lawrence Seaway.¹ It consists of three parts:

- (i) national Clean Air Act emission standards for new Category 3 engines installed on U.S. vessels and national sulfur limits for fuel produced, distributed, and sold in the United States;²

¹ The Coordinated Strategy is set out in our Category 3 Marine Rule (75 FR 22896, April 30, 2010). See our website, www.epa.gov/otaq/oceanvessels.htm, for more information.

² Category 3 marine diesel engines have per cylinder displacement at or above 30 liters. The Clean Air Act engine and fuel standards are contained in 40 CFR 80, 94, and 1042.

(ii) international emission standards for marine diesel engines above 130 kW installed on any vessel and international marine fuel sulfur limits that apply worldwide, contained in Annex VI to the International Convention for the Prevention of Pollution from Ships (MARPOL Annex VI);³ and

(iii) more stringent international engine emission standards and fuel sulfur limits that apply to ships operating in specially designated emission control areas (ECAs), designated by amendment to MARPOL Annex VI.

There are two designated U.S. ECAs: the North American ECA and the U.S. Caribbean ECA.⁴ Our national regulations clarify that ECA requirements apply in U.S. internal waters shoreward of a designated ECA; this includes the Great Lakes and St. Lawrence Seaway.⁵ Therefore, in addition to being subject to Clean Air Act requirements for new marine diesel engines and marine fuels, ships operating on the U.S. portions of the Great Lakes must comply with the North American ECA requirements and use fuel that does not exceed the ECA sulfur limits: 10,000 ppm sulfur from August 1, 2012 through December 31, 2014, and 1,000 ppm thereafter.⁶

What are the Great Lakes provisions?

To address the particular nature of Great Lakes shipping, our regulations at 40 CFR 1043.95 include three provisions that are available to any ship, including a foreign ship, that operates exclusively in the Great Lakes:

(a) Steamship exemption: Great Lakes steamships are excluded from the ECA fuel standards. This provision avoids immediate retirement of steamships, which may not be able to operate safely on distillate diesel fuel. However, we expect these vessels will be retired eventually because of their higher fuel usage when compared to diesel engines (a steam engine can consume up to twice as much fuel a modern diesel engine).

(b) Economic hardship provision: a Great Lakes ship owner may petition EPA for a temporary exemption from the long-term (2015) ECA fuel sulfur requirement. The owner must show that despite taking all reasonable business, technical, and economic steps to comply with the fuel sulfur requirements, the burden of compliance costs would create a serious economic hardship for the company. The Agency will evaluate each application on a case-by-case basis.

³ The MARPOL Annex VI engine and fuel standards are contained in 40 CFR 1043.

⁴ The North American ECA entered into force on August 1, 2011, and the fuel requirements will begin to apply on August 1, 2012. The U.S. Caribbean Sea ECA will enter into force on January 1, 2013, and the fuel sulfur requirements will begin to apply on January 1, 2014. For more information about these ECAs, see our website www.epa.gov/otaq/oceanvessels.htm.

⁵ These areas are called ECA associated areas. The Great Lakes are defined as all the streams, rivers, lakes, and other bodies of water that are within the drainage basin of the St. Lawrence River, west of Anticosti Island. See 40 CFR 1043.20.

⁶ As an alternative to operating on lower sulfur fuel, an alternative method (e.g., exhaust gas cleaning device such as a scrubber) may be used as long as the alternative method is at least as effective in terms of emission reductions.

(c) Residual fuel availability waiver: prior to January 1, 2015, a Great Lakes ship may use residual fuel that exceeds the 10,000 ppm interim ECA fuel sulfur limit on the condition that the ship operator bunkers with the lowest sulfur marine residual fuel that was available within the port area where the vessel bunkered the fuel.

How do I exercise the Great Lakes residual fuel availability waiver?

Any owner of a ship operating exclusively in the Great Lakes, including a foreign ship, can exercise the Great Lakes residual fuel availability waiver.

The Great Lakes residual fuel availability waiver is available only with respect to the interim 10,000 ppm fuel sulfur limit that applies in the Great Lakes from August 1, 2012 through December 31, 2014. It does not apply to the long-term 1,000 ppm ECA fuel sulfur limit. The waiver allows the ship operator to purchase and use residual fuel that exceeds the 10,000 ppm sulfur limit if compliant residual fuel is not available. Otherwise, the alternative would have been the purchase of distillate fuel, which is not required until 2015 and which Great Lakes ships may not be prepared to use prior to that date.

The Great Lakes residual fuel availability waiver is not an unconditional waiver from the fuel sulfur requirements. The regulations specify that you must purchase the lowest sulfur marine residual fuel that is available within the port area where your vessel bunkers the fuel (40 CFR 1043.95(c)). Port area means the geographic limits of the port as specified by the Army Corps of Engineers. The geographic limits for the top 150 ports in the United States, including Great Lakes ports, are listed in the Principle Ports of the United States database available at www.ndc.iwr.usace.army.mil/data/datappor.htm. Information for all ports is available at www.ndc.iwr.usace.army.mil//ports/ports.asp. For Canadian Ports, you should refer to the Letters Patent for the relevant port, or similar legal description.

You are not required to obtain advance approval from EPA to exercise the Great Lakes residual fuel availability waiver. However, as specified in 40 CFR 1043.95(c), you must send a report to EPA's Designated Certification Officer (see address at the end of this Fact Sheet) that identifies the fuel that was used instead of compliant fuel. In your waiver report, you will need to tell EPA how you determined that no compliant residual fuel was available in the port area at which you bunkered the fuel and how you determined that you bunkered with the lowest sulfur marine residual fuel that was available. The method you use to make these determinations should be consistent across all the waiver reports you file. In making your availability determination, you may limit your search to those residual fuels that are available through marine terminal operators. If you limit your search for the lowest sulfur marine residual fuel to those fuels that meets certain operating requirements of your engine, for example with respect to viscosity or other fuel parameters, an explanation of these fuel requirements and a range of the acceptable values must be specified in your report.

You must send this report to the address specified below within three months of the fueling event. EPA has determined that, for multiple occurrences, you may combine all events that

occur during a three-month period into one report to be submitted within 45 days of the end of each calendar quarter and include all events that occurred during that quarter.

Ship owners exercising the Great Lakes residual fuel availability waiver remain subject to all other reporting and recordkeeping requirements contained in 40 CFR 1043.70, including those relevant to the fuel sulfur regulations such as the requirement to obtain and retain bunker delivery notes.

What information must I include in my waiver report?

For EPA to determine if a ship owner meets the requirements in 40 CFR 1043.95(c), your Great Lakes residual fuel availability waiver report should contain at minimum the following information:

- (1) The name of the vessel, the vessel identification number, its home port, the name of the owner and its corporate address, and the name of the operator and its corporate address.
- (2) The date and time of the fueling event, the port area in which it occurred as defined by the Army Corps of Engineers for U.S. ports, or the Letters Patent or similar legal description for Canadian ports, name of the fuel supplier and facility address, quantity of residual fuel purchased, and sulfur content of residual fuel purchased (as documented by bunker delivery note).
- (3) Description of how you determined that no residual fuel meeting the 10,000 ppm sulfur limit was available.
- (4) Description of how you determined that the residual fuel you purchased had the lowest sulfur content of any residual fuel available in that port area.

We may ask you to add information to your written report so we can determine whether the residual fuel purchased had the lowest sulfur content of available residual fuel.

This waiver report must be submitted in written form. In addition, to ensure the report can be considered official and the information contained in the report reliable, the report needs to be signed by an authorized representative of your company and contain the following statement:

We submit this report under 40 CFR 1043.95(c). All the information in this report is true and accurate to the best of my knowledge. I know of the penalties for violating the Act to Prevent Pollution from Ships and the regulations. (Authorized Company Representative)

See 40 CFR 1042.915 for information on how we treat information you consider confidential.

How do I submit my waiver report?

Send your Great Lakes residual fuel availability waiver written reports to the **EPA Designated Certification Officer** at the following address:

For U.S. Mail:

U.S. EPA

Attn: Fuel Availability Waivers

1200 Pennsylvania Avenue, NW 6405J

Washington, DC 20460

For overnight or courier services:

U.S. EPA

Attn: Fuel Availability Waivers

1310 L Street, NW, Room 602A

Washington, DC 20005

Where do I find more information?

You can find information about the applicable standards and related documents on EPA's Office of Transportation and Air Quality web site at:

www.epa.gov/otaq/oceanvessels.htm

For general information on related topics, please contact EPA OTAQ Public Inquiries at:

www.epa.gov/otaq/oms-cmt.htm